

FACT SHEET: SB 380 (TO BE AMENDED 1/28/2016)

AUTHOR: SENATOR FRAN PAVLEY

PRINCIPAL CO-AUTHORS: PRESIDENT PRO TEMPORE SENATOR KEVIN DE LEÓN, SENATOR BOB HUFF

CO-AUTHORS: SENATOR BEN ALLEN, ASSEMBLY MEMBER SCOTT WILK

ALISO CANYON NATURAL GAS STORAGE FACILITY MORATORIUM

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THE PROBLEM

On October 23, 2015, an ongoing disaster started with local public health and significant community impacts. That day, a significant leak was discovered from a natural gas storage well in Southern California Gas Company's (SoCal Gas') Aliso Canyon storage facility. Over 3 months later, the well continues to be a major source of methane emissions – likely the single largest point source of greenhouse gas emissions in the state during this time period – with cumulative emissions to date estimated to be on the order of the annual emissions from 450,000 cars or over 6% of the total annual emissions from all of California's oil refineries.

The leak has caused major and unprecedented upheaval in the Porter Ranch community. There are numerous reports of local residents, including children, experiencing health problems. The Los Angeles Unified School District chose to close two schools temporarily. In addition to health concerns, community members have additionally raised business losses, environmental impacts and damage to property values, among other concerns. Over 2,479 households have relocated (at SoCal Gas' expense) and about 1,500 are in the process of relocating.

Seven efforts to "kill" the leaking well have all failed and the Division of Oil, Gas and Geothermal Resources (DOGGR) ordered that a relief well be drilled. Current estimates are that the leak will be controlled using this relief well in February/March 2016. The leaking well was originally drilled in 1953 and numerous reports have raised concerns about the age, maintenance practices and safety of the Aliso Canyon facility.

THE SOLUTION

The safety of the Porter Ranch community must be assured and changes made to ensure this disaster never happens again. This bill, SB 380, is part of the Senate's comprehensive legislative response.

SB 380 will:

- Require an immediate moratorium on natural gas injection into the Aliso Canyon reservoir
- Restrict production of gas through vintage wells at Aliso Canyon unless needed for leak response or to ensure regional energy reliability.

The moratorium and restrictions will stay in effect until the following conditions are met:

- DOGGR assesses the integrity of the gas storage wells "quantitatively and objectively [...] using state-of-the-art technology." The methods used will be determined with input from experts and the community in a public process
- DOGGR evaluates the risks to the community associated with well failure
- Wells at extra risk of well failure are fixed or plugged.
- DOGGR determines that the overall risk to the community from the facility is low and the California Public Utilities Commission (CPUC) and the California Energy Commission agree.

Additionally, the CPUC will evaluate whether the Aliso Canyon storage facility can be shut-down or its use minimized without affecting regional energy reliability.

SB 380 builds upon DOGGR's orders to SoCal Gas and its recently proposed emergency regulations, the Governor's January 6, 2016 State of Emergency Declaration and the actions of other regulators. SB 380 includes gas production, enhanced transparency, and explicit requirements for public involvement to help shape the response.

SB 380 is an urgency measure and will go into effect, after passing the Legislature, when signed by the Governor.